

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
*Richmond Division***

**IN RE:**

**CIRCUIT CITY STORES, INC., et al.**

**Debtors.**

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**CHAPTER 11**

**Case No.: 08-35653**

**LIMITED OBJECTION OF HENRICO COUNTY, VIRGINIA  
TO DEBTORS' FIRST AMENDED JOINT PLAN OF LIQUIDATION**

The County of Henrico, Virginia ("Henrico") objects to the First Amended Joint Plan of Liquidation ("Plan") based on the following:

1. Henrico timely filed the following first priority secured ad valorem 2008 (\$477,303.86) and 2009 (\$746,721.95)<sup>1</sup> tax claims which remain unpaid:

Claim 2248 2008 personal property tax \$405,308.59;  
Claim 2249 2008 personal property tax \$11,638.42;  
Claim 2251 2008 personal property tax \$31,073.41;  
Claim 2291 2008 personal property tax \$4,565.93;  
Claim 7665 2008 personal property tax \$7,357.79;  
Claim 2252 2008 personal property tax \$904.53;  
Claim 2256 2008 real estate tax \$3,540.47;  
Claim 2246 2008 real estate tax \$12,914.72;  
Claim 14039 2009 personal property tax \$614.09;  
Claim 13730 2009 personal property tax \$593,196.93;  
Claim 14040 2009 personal property tax \$24,577.85;  
Claim 14036 2009 personal property tax \$51,131.35;  
Claim 14035 2009 personal property tax \$6,677.89;  
Claim 13729 2009 personal property tax \$12,251.46;  
Claim 14037 2009 personal property tax \$17,278.42;  
Claim 14204 2009 real estate tax \$6,755.33;  
Claim 14206 2009 real estate tax \$14,456.14 (will amend to \$6,883.87);  
Claim 14042 2009 real estate tax \$24,352.08;

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<sup>1</sup> The sums listed for 2009 reflect the amounts due in the amended claims.

Claim 13727 2009 real estate tax \$2,729.54; and  
Claim 14032 2009 real estate tax \$273.14

2. The Plan appears to provide deferred payment of Henrico's tax claims if adequate funds are available as either Article III A.2. Unclassified Claims Priority Tax Claims or as Article III B.1. Unimpaired Allowed Miscellaneous Secured Claims.

3. Pursuant to the Stipulation entered by the Court on March 10, 2009, [Docket 2491] Debtors were to set aside funds ("Reserved Funds") adequate to cover Henrico's priority personal property tax claims from the sale of the taxed assets.

4. Henrico objects to the Plan to the extent that it fails to provide prompt payment upon allowance of Henrico's personal property tax claims from the Reserved Funds as required by the Stipulation and applicable law.

5. Henrico's first priority secured tax claims were assessed against personal property which sold for amounts in excess of the personal property taxes and against real estate valued in excess of the real estate taxes and thus Henrico's claims are oversecured pursuant to 11 U.S.C. § 506(b) and Virginia Code § 58.1-3340 and § 58.1-3942(c).

6. Henrico's priority secured tax claims are entitled to receive interest under 11 U.S.C. §§ 511 and 1129(a) (9) (C) and Henrico County Code §20-101, at the rate of 4%. The Plan does not provide for interest at this rate.

7. Henrico objects to the extent that there is no indication in the Plan that Henrico's first priority secured tax claims will be paid with local statutory interest as required by law.

8. The Plan should be rejected as it fails to provide for the timely payment of Henrico's personal property taxes from the Reserved Funds and does not provide statutory interest on all of Henrico's outstanding priority secured tax claims.

9. Henrico has attempted unsuccessfully to resolve this limited objection with Debtors' counsel.

ACCORDINGLY, HENRICO respectfully requests that any order approving Debtors' Plan expressly require compliance with the Stipulation and the statutory mandates directing timely payment of Henrico's first priority secured tax claims with 4% interest.

Dated: November 16, 2009

Respectfully Submitted,  
**County of Henrico, Virginia**  
By: /s/ Rhysa Griffith South  
Rhysa Griffith South (VSB #25944)  
Assistant Henrico County Attorney  
Office of the County Attorney  
County of Henrico  
P.O. Box 90775  
Henrico, Virginia 23273-0775  
Telephone: (804) 501-5091  
Facsimile: (804) 501-4140

**CERTIFICATE OF SERVICE**

I hereby certify that on the 16<sup>th</sup> day of November, 2009, a true copy of the foregoing *Limited Objection of Henrico County, Virginia to Debtor's First Amended Joint Plan of Liquidation* was electronically filed with the court via the CM/ECF system and hand delivered to the following:

Honorable Kevin R. Huennekens  
U.S. Bankruptcy Court  
Eastern District of Virginia  
Richmond Division  
701 East Broad Street, Room 5000  
Richmond, Virginia 23219

Attn: Robert B. Van Arsdale  
U.S. Bankruptcy Court  
Eastern District of Virginia  
Richmond Division  
701 East Broad Street, Suite 4304  
Richmond, Virginia 23219

Ms. Michelle Mosier  
Circuit City Stores, Inc.  
4951 Lake Brook Drive, Suite 500  
Glen Allen, Virginia 23060

Robert J. Feinstein  
Pachulski Stang Ziehl & Jones LLP  
780 Third Avenue, 36<sup>th</sup> Floor  
New York, NY 10017

Gregg M. Galardi and Ian S. Fredericks  
Skadden, Arps, Slate Meagher & Flom LLP  
One Rodney Square  
10<sup>th</sup> and King Streets, 7<sup>th</sup> Floor  
Wilmington, DE 19801

Chris L. Dickerson and Jessica S. Kumar  
Skadden, Arps, Slate Meagher & Flom LLP  
155 N. Wacker Drive  
Chicago, IL 60606

Douglas M. Foley and Sarah B. Boehm  
McGuireWoods LLP  
One James Center  
901 East Cary Street  
Richmond, Virginia 23219

Lynn L. Tavenner and Paula S. Beran  
Tavenner & Beran PLC  
20 N. Eighth Street, 2<sup>nd</sup> Floor  
Richmond, Virginia 23219

Jeffrey N. Pomerantz and Stanley E. Goldich  
Pachulski Stang Ziehl & Jones LLP  
10100 Santa Monica Boulevard, 11<sup>th</sup> Floor  
Los Angeles, CA 90067

/s/ Rhysa Griffith South  
Rhysa Griffith South (VSB #25944)